S-1647.1				

SUBSTITUTE SENATE BILL 5682

2005 Regular Session State of Washington 59th Legislature

By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Keiser, Deccio, Rasmussen and Kohl-Welles)

READ FIRST TIME 02/21/05.

- AN ACT Relating to sampling activities of licensees under Title 66 1
- 2 RCW; amending RCW 66.24.360 and 66.24.371; and adding a new section to
- 3 chapter 66.08 RCW.

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- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 Sec. 1. RCW 66.24.360 and 2003 c 167 s 8 are each amended to read as follows: 6
- 7 There shall be a beer and/or wine retailer's license to be designated as a grocery store license to sell beer, strong beer, and/or wine at retail in bottles, cans, and original containers, not to be 10 consumed upon the premises where sold, at any store other than the 11 state liquor stores.
- 12 (1) Licensees obtaining a written endorsement from the board may also sell malt liquor in kegs or other containers capable of holding 13 less than five and one-half gallons of liquid. 14
- 15 (2) The annual fee for the grocery store license is one hundred fifty dollars for each store. 16
- 17 (3)(a) Licensees under this section may provide, free or for a charge, single-serving samples of two ounces or less, but no more than 18
- a total of eight ounces, per customer for the purpose of sales 19

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- 1 promotion if: (i) The primary commercial activity of the licensees is
- 2 the sale of grocery products; and (ii) the licensees operate fully
- 3 enclosed retail areas encompassing at least twelve thousand square
- 4 <u>feet. Sampling activities of licensees under this section are subject</u>
- 5 to RCW 66.28.010 and 66.28.040 and the cost of sampling under this
- 6 section may not be borne, directly or indirectly, by any manufacturer,
- 7 <u>importer, or distributor of liquor.</u>

- (b) The service area and facilities must be located within the licensee's fully enclosed retail area, and must be of a size and design such that the licensee can observe and control persons in the area to ensure that persons under twenty-one years of age and apparently intoxicated persons cannot possess or consume alcohol. Customers must remain in the service area while consuming samples.
- (4) The board shall issue a restricted grocery store license authorizing the licensee to sell beer and only table wine, if the board finds upon issuance or renewal of the license that the sale of strong beer or fortified wine would be against the public interest. In determining the public interest, the board shall consider at least the following factors:
- (a) The likelihood that the applicant will sell strong beer or fortified wine to persons who are intoxicated;
- (b) Law enforcement problems in the vicinity of the applicant's establishment that may arise from persons purchasing strong beer or fortified wine at the establishment; and
- (c) Whether the sale of strong beer or fortified wine would be detrimental to or inconsistent with a government-operated or funded alcohol treatment or detoxification program in the area.
- If the board receives no evidence or objection that the sale of strong beer or fortified wine would be against the public interest, it shall issue or renew the license without restriction, as applicable. The burden of establishing that the sale of strong beer or fortified wine by the licensee would be against the public interest is on those persons objecting.
- ((4))) (5) Licensees holding a grocery store license must maintain a minimum three thousand dollar inventory of food products for human consumption, not including pop, beer, strong beer, or wine.
- $((\frac{5}{1}))$ (6) Upon approval by the board, the grocery store licensee

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1 may also receive an endorsement to permit the international export of 2 beer, strong beer, and wine.

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- (a) Any beer, strong beer, or wine sold under this endorsement must have been purchased from a licensed beer or wine distributor licensed to do business within the state of Washington.
- (b) Any beer, strong beer, and wine sold under this endorsement must be intended for consumption outside the state of Washington and the United States and appropriate records must be maintained by the licensee.
- 10 (c) A holder of this special endorsement to the grocery store 11 license shall be considered not in violation of RCW 66.28.010.
- 12 (d) Any beer, strong beer, or wine sold under this license must be 13 sold at a price no less than the acquisition price paid by the holder 14 of the license.
- 15 (e) The annual cost of this endorsement is five hundred dollars and 16 is in addition to the license fees paid by the licensee for a grocery 17 store license.
- 18 **Sec. 2.** RCW 66.24.371 and 2003 c 167 s 9 are each amended to read 19 as follows:
 - (1) There shall be a beer and/or wine retailer's license to be designated as a beer and/or wine specialty shop license to sell beer, strong beer, and/or wine at retail in bottles, cans, and original containers, not to be consumed upon the premises where sold, at any store other than the state liquor stores. Licensees obtaining a written endorsement from the board may also sell malt liquor in kegs or other containers capable of holding less than five and one-half gallons of liquid. The annual fee for the beer and/or wine specialty shop license is one hundred dollars for each store.
 - (2) Licensees under this section may provide, free or for a charge, single-serving samples of two ounces or less ((to customers)), but no more than a total of eight ounces, per customer for the purpose of sales promotion. Sampling activities of licensees under this section are subject to RCW 66.28.010 and 66.28.040 and the cost of sampling under this section may not be borne, directly or indirectly, by any manufacturer, importer, or distributor of liquor.
 - (3) The board shall issue a restricted beer and/or wine specialty shop license, authorizing the licensee to sell beer and only table

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- wine, if the board finds upon issuance or renewal of the license that the sale of strong beer or fortified wine would be against the public interest. In determining the public interest, the board shall consider at least the following factors:
- 5 (a) The likelihood that the applicant will sell strong beer or 6 fortified wine to persons who are intoxicated;

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- (b) Law enforcement problems in the vicinity of the applicant's establishment that may arise from persons purchasing strong beer or fortified wine at the establishment; and
- (c) Whether the sale of strong beer or fortified wine would be detrimental to or inconsistent with a government-operated or funded alcohol treatment or detoxification program in the area.
- If the board receives no evidence or objection that the sale of strong beer or fortified wine would be against the public interest, it shall issue or renew the license without restriction, as applicable. The burden of establishing that the sale of strong beer or fortified wine by the licensee would be against the public interest is on those persons objecting.
- 19 (4) Licensees holding a beer and/or wine specialty shop license 20 must maintain a minimum three thousand dollar wholesale inventory of 21 beer, strong beer, and/or wine.
- NEW SECTION. Sec. 3. A new section is added to chapter 66.08 RCW to read as follows:
- The board may adopt rules to implement this act. The rules shall include a requirement that employees of licensees under RCW 66.24.360 and 66.24.371 who are involved in sampling activities complete a board-approved limited alcohol server training program that addresses only those subjects reasonably related to the licensees' sampling activities.

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